

**HOUSING AUTHORITY OF THE
TOWN OF DELHI
Delhi, Louisiana**

**Basic Financial Statements
With Independent Accountants' Report
As of and for the Year Ended December 31, 2009**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

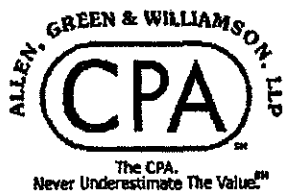
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HOUSING AUTHORITY OF THE TOWN OF DELHI
Delhi, Louisiana

Basic Financial Statements
With Independent Accountants' Report
As of and for the Year Ended
December 31, 2009

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Accountants' Compilation Report

Board of Commissioners
Housing Authority of the
Town of Delhi
Delhi, Louisiana

We have compiled the accompanying balance sheet of the Housing Authority of the Town of Delhi as of December 31, 2009 and the related statements of revenues, expenses and changes in fund equity, and cash flows for the years then ended, and the accompanying supplementary information as identified in the table of contents, which are presented only for supplementary analysis purposes, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of the Housing Authority of the Town of Delhi.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them. The information included in the accompanying supplemental schedule is presented only for supplementary analysis purposes. Such information has been compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information. However, we did become aware of departures from generally accepted accounting principles that are described in the following paragraph.

Management has not presented the management's discussion and analysis information that the Governmental Accounting Standards Board has determined is required to supplement, although not required to be a part of the basic financial statements.

The Housing Authority of the Town of Delhi is a special purpose government engaged in enterprise fund operations only. In accordance with Government Accounting Standard Board Statement No. 34, the Housing Authority is not required to present government-wide financial statements.

ALLEN, GREEN & WILLIAMSON, LLP
Monroe, Louisiana

June 28, 2010

HOUSING AUTHORITY OF THE TOWN OF DELHI

**ENTERPRISE FUNDS
Balance Sheet
December 31, 2009**

Statement A

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 80,157
Accounts receivable	164
Prepaid items	<u>1,699</u>
Total current assets	<u>82,020</u>

CAPITAL ASSETS

Property, plant and equipment (net of accumulated depreciation)	<u>1,470</u>
Total noncurrent assets	<u>1,470</u>

TOTAL ASSETS

83,490

LIABILITIES

CURRENT LIABILITIES

Payroll taxes payable	427
Deferred revenue	<u>2,511</u>
Total current liabilities	<u>2,938</u>
TOTAL LIABILITIES	<u><u>2,938</u></u>

NET ASSETS

Invested in capital assets, net of related debt	1,470
Restricted	28,952
Unrestricted	<u>50,130</u>
Total Net Assets	<u>80,552</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 83,490

See Accountants' compilation report and accompanying notes to the financial statements

HOUSING AUTHORITY OF THE TOWN OF DELHI

**ENTERPRISE FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Statement B

OPERATING REVENUES	
Federal grants - operating	\$ 92,811
Other	<u>1,000</u>
Total operating revenues	<u>93,811</u>
OPERATING EXPENSES	
Administration	18,261
General expenses	1,326
Housing assistance payments	74,585
Depreciation Expense	<u>1,470</u>
Total operating expenses	<u>95,642</u>
Operating income (loss) from operations	<u>(1,831)</u>
NONOPERATING REVENUES (EXPENSES)	
Interest income	<u>58</u>
Total nonoperating revenues (expenses)	<u>58</u>
Changes in net assets	(1,773)
NET ASSETS AT BEGINNING OF YEAR	<u>82,325</u>
TOTAL NET ASSETS AT END OF YEAR	<u><u>\$ 80,552</u></u>

See Accountants' compilation report and accompanying notes to the financial statements

HOUSING AUTHORITY OF THE TOWN OF DELHI

**ENTERPRISE FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2009**

Statement C

CASH FLOWS FROM OPERATING ACTIVITIES

Federal grants	\$ 96,093
Other receipts	1,000
Payments to vendors	(11,266)
Payments to employees	(9,600)
Payments to private landlords	<u>(74,585)</u>

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES 1,642

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Purchased fixed assets	<u> </u>
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NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES -

CASH FLOWS FROM INVESTING ACTIVITIES

Interest and dividends	<u>58</u>
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NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES 58

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS 1,700

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 78,457

CASH AND CASH EQUIVALENTS AT END OF YEAR \$ 80,157

**RECONCILIATION OF OPERATING INCOME (LOSS)
TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES**

Operating income (loss)	\$ (1,831)
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Adjustments to reconcile operating income to net cash
provided (used) by operating activities:

Depreciation expense	1,470
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Changes in assets and liabilities

(Increase) decrease receivables net	771
(Increase) decrease prepaid items	(1,241)
Increase (decrease) accounts payable	(56)
Increase (decrease) payroll taxes payable	18
Increase (decrease) deferred revenue	<u>2,511</u>

\$ 1,642

See Accountants' compilation report and accompanying notes to the financial statements

HOUSING AUTHORITY OF THE TOWN OF DELHI
Delhi, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2009

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HOUSING AUTHORITY OF THE TOWN OF DELHI
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Notes to the Financial Statements
As of and for the Year Ended December 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Delhi Housing Authority (the Housing Authority) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Governmental Accounting and Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* was issued in June 1999. Certain of the significant changes in the Statement include the following:

- A Management Discussion and Analysis (MD&A) section providing and analysis of the Assessor's overall financial position and results of operations;

The accompanying financial statements of the Delhi Housing Authority are not presented in conformity with GASB Statement No. 34. A Management Discussion and Analysis does not supplement the financial statements.

A. REPORTING ENTITY

Housing Authorities are chartered as public corporations under the laws (LSA-R.S. 40:391) of the state of Louisiana for the purpose of providing safe and sanitary dwelling accommodations. This creation was contingent upon the local governing body of the city declaring a need for the Housing Authority to function in such city. The Housing Authority is governed by a five-member Board of Commissioners. The members, appointed by the Honorable Mayor of the Town of Delhi, serve a staggered term of five years without benefit of compensation.

Under the United States Housing Act of 1937, as amended, the U. S. Department of Housing and Urban Development (HUD) has direct responsibility for administering low-rent housing programs in the United States. Accordingly, HUD has entered into an annual contributions contract with the Housing Authority for the purpose of allowing the Housing Authority to assist very low-income families, the elderly and the disabled to afford decent, safe and sanitary housing in the private market.

The Housing Authority has the following units:

	Number of Units
Section 8	40

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the Housing Authority is legally separate and fiscally independent, the Housing Authority is a separate governmental reporting entity. As defined by GASB Statement No. 14, fiscally independent means that the Housing Authority may, without approval or consent of another

HOUSING AUTHORITY OF THE TOWN OF DELHI
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Notes to the Financial Statements
As of and for the Year Ended December 31, 2009

governmental entity, determine or modify its own budget, set rates or charges, and issue bonded debt.

GASB Statement No. 14 defines a related organization as an organization for which a primary government is accountable because that government appoints a voting majority of the board, but is not financially accountable. The Housing Authority is a related organization of the Town of Delhi since the Town of Delhi appoints a voting majority of the Housing Authority's governing board. The Town of Delhi is not financially accountable for the Housing Authority as it cannot impose its will on the Housing Authority and there is no potential for the Housing Authority to provide financial benefit to, or impose financial burdens on, the Town of Delhi, Louisiana. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the City of Delhi.

The Housing Authority includes all funds, activities, et cetera, that are within the oversight responsibility of the Housing Authority.

Certain units of local government over which the Housing Authority exercises no oversight responsibility, such as the school board, parish police jury, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Housing Authority. In addition, the accompanying financial statements do not include various tenant associations which are legally separate entities.

B. FUNDS

The accounts of the Housing Authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

All funds of the Housing Authority are classified as proprietary. Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The Housing Authority has elected, pursuant to GASB Statement No. 20, to apply all GASB pronouncements and only FASB pronouncements issued before November 30, 1989.

HOUSING AUTHORITY OF THE TOWN OF DELHI
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As of and for the Year Ended December 31, 2009

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and providing goods in connection with a propriety funds' principal ongoing operations. The principal operating revenues of the Housing Authority's funds are government grants. Operating expenses for propriety funds include the administrative costs of providing service and the housing assistance payments made on behalf of the residents. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. BUDGETS

General Budget Policies The following summarizes the budget activities of the Housing Authority during the year ended December 31, 2009:

The Housing Authority adopted a budget for its HUD-funded program. The budget is controlled by fund at the function level. Budgetary amendments require approval of the board of commissioners. All appropriations lapse at year end and must be reappropriated for the following year to be expended. Formal budgetary integration is employed as a management device during the year.

Encumbrances Encumbrances are not recognized within the accounting records for budgetary control purposes.

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded. In addition, the monthly budget reports are reviewed to ensure compliance with the budget, and where necessary, revisions to the budget are made.

E. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Housing Authority may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the Housing Authority may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at the lower of market or cost.

HOUSING AUTHORITY OF THE TOWN OF DELHI
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Notes to the Financial Statements
As of and for the Year Ended December 31, 2009

F. INVESTMENTS

Investments are limited by R.S. 33:2955 and the Housing Authority's investment policy. If the original maturities of investments exceed 90 days they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

The investments are reflected at quoted market prices except for the following which are required/permitted as per GASB Statement No. 31:

Investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

The Housing Authority reported at amortized cost money market investments participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

Definitions:

Interest-earning investment contract include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money market investments are short-term, highly liquid debt instruments that include U. S. Treasury obligations.

G. PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

H. FIXED ASSETS

Fixed assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation is used based on the following estimated useful lives:

Furniture and fixtures

5 to 7 years

HOUSING AUTHORITY OF THE TOWN OF DELHI
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Notes to the Financial Statements
As of and for the Year Ended December 31, 2009

I. RESTRICTED NET ASSETS

Net assets are reported as restricted when constraints placed on net assets use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Restricted resources are used when an expense is incurred for purposes for which both restricted and unrestricted assets are available.

J. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

At December 31, 2009, the Housing Authority has demand deposits totaling \$68,573. Their deposits are stated at cost, which approximated fair value.

Custodial Credit Risk:

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2008, the Housing Authority's bank balance of deposits was \$68,573. The entire balance was covered by federal depository insurance (GASB Category 1) and pledged securities and are not subject to custodial credit risk.

Interest Rate Risk: The Housing Authority's policy does not address interest rate risk.

NOTE 3 - RECEIVABLES

The receivables of \$164, net of allowance for doubtful accounts of \$0, at December 31, 2009, are as follows:

<u>Class of Receivables</u>	<u>Total</u>
Others	<u>\$164</u>
Total	<u>\$164</u>

HOUSING AUTHORITY OF THE TOWN OF DELHI
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Notes to the Financial Statements
As of and for the Year Ended December 31, 2009

NOTE 4 - FIXED ASSETS

The changes in fixed assets are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Furniture and equipment	<u>\$4,760</u>	<u>\$ 0</u>	<u>\$0</u>	<u>\$4,760</u>
Total	<u>4,760</u>	<u>0</u>	<u>0</u>	<u>4,760</u>
Less: accumulated depreciation				
Furniture and equipment	<u>1,820</u>	<u>1,470</u>	<u>0</u>	<u>3,290</u>
Total	<u>1,820</u>	<u>1,470</u>	<u>0</u>	<u>3,290</u>
Fixed assets, net	<u>\$2,940</u>	<u>\$(1,470)</u>	<u>\$0</u>	<u>\$1,470</u>

NOTE 5 - ACCOUNTS PAYABLE

The payables at December 31, 2009, are as follows:

Payroll Taxes Payable	<u>\$427</u>
Total	<u>\$427</u>

NOTE 6 - COMMITMENTS AND CONTINGENCIES

Contribution Disallowances The Housing Authority operates in accordance with the requirements of an Annual Contribution Contract. The Housing Authority's noncompliance with such contracts may result in a reduction of funding from HUD.

Grant Disallowances The Housing Authority participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Housing Authority management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

Litigation The Housing Authority is not presently involved in any litigation.

NOTE 7 - RISK MANAGEMENT

The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Housing Authority carries commercial insurance.

HOUSING AUTHORITY OF THE TOWN OF DELHI
Delhi, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 2009

NOTE 8 - ECONOMIC DEPENDENCY

Statement of Financial Accounting Standard (SFAS) No. 14 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenues. The Department of Housing and Urban Development provided \$92,811 to the Housing Authority, which represents approximately 99% of the Housing Authority's total revenue for the year.

SUPPLEMENTAL INFORMATION SCHEDULE

HOUSING AUTHORITY OF THE TOWN OF DELHI
Delhi, Louisiana

Schedule of Compensation Paid Board Members
For the Year Ended December 31, 2009

The members of the Board of Commissioners serve a staggered five-year term and receive no compensation for meeting attendance. The Board consists of the following members at December 31, 2009:

Rev. Danny Pearson

Marvin Dale Hamilton

Lynn Lewis

Gloria King

W. B. Sumner

See Accountant's compilation report.